

Notice of Annual General Meeting

Virtus Health Limited ACN 129 643 492

Notice is hereby given that the Annual General Meeting (AGM) of shareholders of Virtus Health Limited (the Company) will be held at:

Level 1, Rooms 5 & 6,
Hilton Sydney,
488 George Street,
Sydney NSW 2000, Australia

on

**Wednesday, 6 November 2013
at 2.00pm (AEDT) (Meeting).**

The Explanatory Notes to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Notes and the Proxy Form form part of this notice.

BUSINESS OF THE MEETING

Item 1: Financial Statements and Reports

To receive and consider the Financial Statements, the Directors' Report and the Auditor's Report for the year ended 30 June 2013.

Item 2: Remuneration Report

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

"To adopt the Remuneration Report for the year ended 30 June 2013."

Notes:

- i. In accordance with section 250R of the Corporations Act 2001, the vote on this resolution will be advisory only and will not bind the directors or the Company.
- ii. A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

Item 3: Appointment of Auditor

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

"That PricewaterhouseCoopers:

- a. *Having been nominated by a member of the Company, in accordance with section 328B(1) of the Corporations Act 2001; and*
- b. *Having given its consent to act as Auditor, in accordance with section 328A(1) of the Corporations Act, to*

be appointed as the Auditor of the Company."

Item 4: Election of Directors

To consider and, if thought fit, pass the following resolutions as ordinary resolutions of the Company:

- 4.1 *"That Mr Marcus Darville, being a director who is retiring in accordance with article 10.3 of the Company's constitution and Listing Rule 14.4, and being eligible, offers himself for election, be re-elected as a director of the Company."*
- 4.2 *"That Dr Lyndon Hale, being a Director who was appointed by the Directors on 17 May 2013 and whose appointment as a Director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers himself for election, be re-elected as a director of the Company."*
- 4.3 *"That Mr Dennis O'Neill, being a Director who was appointed by the Directors on 17 May 2013 and whose appointment as a Director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers himself for election, be re-elected as a director of the Company."*
- 4.4 *"That Mr Peter Turner, being a Director who was appointed by the Directors on 17 May 2013 and whose appointment as a Director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers himself for election, be re-elected as a director of the Company."*
- 4.5 *"That Mr Peter Macourt, being a Director who was appointed by the Directors on 17 May 2013 and whose appointment as a Director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers himself for election, be re-elected as a director of the Company."*

ENTITLEMENT TO VOTE

The directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered shareholders of the Company as at 7.00pm (AEDT) on Monday, 4 November 2013 (**Entitlement Time**), subject to any applicable voting exclusion.

This means that if you are not the registered holder of a share in the Company at the Entitlement Time, you will not be entitled to attend and vote at the Meeting.

ANNUAL REPORT

Copies of the Company's 2013 Annual Report may be accessed at our website www.virtushealth.com.au or from the Company.

VOTING OPTIONS AND PROXIES

If you do not plan to attend the meeting in person, you are encouraged to complete and return the Proxy Form which accompanies this Notice of Meeting.

Voting by Proxy

A shareholder who is entitled to attend and vote at this Meeting is entitled to appoint not more than 2 proxies to attend and vote on behalf of the shareholder.

If the shareholder appoints 2 proxies, the shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the shareholder's votes. If the specified proportion or number of votes exceeds that which the shareholder is entitled to, each proxy may exercise half of the shareholder's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

A proxy need not be a shareholder of the Company. A body corporate appointed as a shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Subject to the specific proxy provisions applying to Item 2 (see the Explanatory Notes below):

- If a shareholder has not directed their proxy how to vote, the proxy may vote as the proxy determines, and
- If a shareholder appoints the Chair of the Meeting as proxy and does not direct the Chair how to vote on an item of business, the Chair will vote in accordance with his voting intention as stated in this Notice of Meeting, namely in favour of each of the proposed resolutions set out in the Notice of Meeting.

Proxy Voting by the Chair

For Item 2 (Remuneration Report), where the Chair is appointed as a shareholder's proxy and that shareholder has:

- Marked the Chair's box on the proxy form; and
- Has not specified the way in which the Chair is to vote on Item 2,

the shareholder is directing the Chair to vote in accordance with the Chair's voting intentions for this item of business.

The Chair intends to vote all undirected proxies in favour of the resolutions put in the Notice of Meeting.

Proxy Forms

To be effective, the Proxy Form must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) with the Company's share registry, as an original or by facsimile, no later than 2.00pm (AEDT) on Monday, 4 November 2013 (**Proxy Deadline**).

Proxy forms may be submitted in one of the following ways:

- By mail to Link Market Services Limited using the reply paid envelope or Locked Bag A14, Sydney South, NSW, 1235, Australia. Please allow sufficient time so that it reaches Link Market Services Limited by the Proxy Deadline;
- By fax to Link Market Services Limited on +61 2 9287 0309;
- Online via the Company's Share Registry website at www.linkmarketservices.com.au. Please refer to the Proxy Form for more information; or
- By hand delivery to Link Market Services Limited at 1A Homebush Bay Drive, Rhodes NSW 2138.

Proxy Forms and Powers of Attorney must be received by the Proxy Deadline.

CORPORATE REPRESENTATIVES

Where a shareholding is registered in the name of a corporation, the corporate shareholder may appoint a person to act as its representative to attend the meeting by providing that person with:

- a letter or certificate authorising him or her as the corporation's representative, executed in accordance with the corporation's constitution; or
- a copy of the resolution appointing the representative, certified by a secretary or director of the corporation.

BY ORDER OF THE BOARD



Glenn Powers
Company Secretary
25 September 2013

EXPLANATORY NOTES

Notes on Business

Item 1: Financial Statements and Reports

As required by section 317 of the *Corporations Act 2001* the financial report, directors' report and auditor's report for the most recent financial year will be presented to the meeting. The financial report contains the financial statements of the consolidated entity consisting of Virtus Health Limited and its subsidiaries. As permitted by the *Corporations Act*, a printed copy of the Annual Report has been sent only to those shareholders who have elected to receive a printed copy.

There is no requirement for a formal resolution on this item.

The Chair of the meeting will allow a reasonable opportunity at the meeting for shareholders to ask questions about or make comments on the management of the Company. Shareholders will also be given a reasonable opportunity at the meeting to ask the Company's auditor PricewaterhouseCoopers (**PWC**) questions about its audit report, the conduct of its audit of the Company's financial report for the year ended 30 June 2013, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of PWC in relation to the conduct of the audit.

Shareholders may submit written questions to Eddie Wilkie, Partner, PWC to be answered at the meeting, provided the question is relevant to the content of PWC's audit report or the conduct of the audit of the Company's financial report for the year ended 30 June 2013.

Written questions must be received no later than 5.00pm on Wednesday, 30 October 2013. Any written questions to Eddie Wilkie, Partner, PWC can be sent to Link Market Services Limited, Locked Bag A14, Sydney South, NSW, 1235, Australia (or by Fax: +61 2 9287 0309).

Item 2: Adoption of Remuneration Report

2.1 Reasons for Resolution

In accordance with section 300A of the *Corporations Act 2001* the Company has proposed a remuneration report for the consideration of shareholders.

As provided by section 250R(3) of the *Corporations Act*, the resolution on this item of business is advisory only and does not bind the board or the Company.

The Company has designed a remuneration framework to support both a high performance culture and a team focus on adhering to agreed business objectives and directions which is included in the Directors' report.

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market practice for delivery of reward.

In summary, the remuneration report in the Annual Report:

- explains the principles used for determining the nature and amount of remuneration of directors and senior managers of the Company;
- outlines the role of the Remuneration and Nomination Committee;
- sets out remuneration details for each director and senior executive of the Company (including the value of any options granted to those persons);
- outlines service contracts of key management personnel; and
- provides details of options granted to directors and key management personnel.

Item 2: The Board unanimously recommends that shareholders vote in favour of this resolution.

2.2 Voting Exclusion Statement

As required by the *Corporations Act 2001*, the Company will disregard any votes cast on Item 2 by any member of the Company's key management personnel¹ (**KMP**) or a closely related party² of any such member unless the person:

- i. votes as a proxy appointed by writing that specifies how the person is to vote on the resolutions; or
- ii. is the Chairman of the Meeting and votes as a proxy appointed by writing that authorises the Chair to vote on the resolutions even though that resolution is connected with the remuneration of a member of the Company's KMP.

What this means for shareholders: If you intend to appoint a member of the KMP (such as one of the directors) as your proxy, please ensure that you direct them how to vote on the proposed resolution in Item 2. If you intend to appoint the Chair of the Meeting as your proxy, you can direct him/her how to vote by marking the boxes for Item 2 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Item 2 and give the Chair your express authority to vote your undirected proxy (in which case the Chair will vote in favour of this item of business).

Item 3: Appointment of Auditor

The Directors of the Company have appointed PricewaterhouseCoopers as auditor, pursuant to section 327A(1) of the *Corporations Act*. Under section 327A(2), an auditor appointed by the Company under section 327A(1) holds office until the Company's first Annual General Meeting. The ongoing appointment of the auditor must then be approved by shareholders.

In accordance with section 328B of the *Corporations Act*, notice in writing nominating PricewaterhouseCoopers has been given to the Company by a shareholder. A copy of this notice is included in this Notice of Meeting. The appointment of PricewaterhouseCoopers will be by vote of shareholders as an ordinary resolution.

Item 3: The Board unanimously recommends that shareholders vote in favour of this resolution.

1. 'key management personnel' has the meaning as defined in Section 9 of the *Corporations Act 2001*.

2. 'closely related party' has the meaning as defined in Section 9 of the *Corporations Act 2001*.

Item 4: Election of Directors

In accordance with the Company's constitution and the ASX Listing Rules an election of directors must be held at each Annual General Meeting.

Listing Rule 14.4 and article 10.3(a) of the Company Constitution states that no director is entitled to hold office without re-election past the third AGM following the director's appointment or three years, whichever is longer. Mr Marcus Darville was appointed as a director on 11 February 2008 and therefore must retire and be re-elected at this AGM.

Details of Mr Darville are set out below.

Article 10.7 of the Company Constitution states that Directors are permitted to appoint a person as a Director either to fill a casual vacancy or as an addition to the existing Directors. A Director appointed under this article holds office until the conclusion of the next annual general meeting of the Company and is then eligible for election at that meeting. Dr Lyndon Hale, Mr Dennis O'Neill, Mr Peter Turner and Mr Peter Macourt were all appointed on 17 May 2013 and are offering themselves for election at this Meeting.

Details of these candidates are also set out below.

Item 4.1: Re-election of Director – Mr Marcus Darville

Mr Marcus Darville has been a Director of Quadrant since 2006 and a Director of Virtus since February 2008. Prior to joining Quadrant, Mr Darville was the joint Head of Private Equity at AMP and an Investment Manager at NatWest Ventures.

Mr Darville is also a member of the Quadrant Investment Committee and has acted as a Director of a number of Quadrant investee companies. Mr Darville currently serves on the boards of Summerset, iSentia (formerly Media Monitors), Super a Mart and Barbeques Galore.

Mr Darville is a member of the Audit and Risk Committee and the Nomination and Remuneration Committee.

Item 4.1: The Directors (other than Mr Darville) unanimously recommend that security holders vote in favour of this resolution.

Item 4.2: Election of Director – Dr Lyndon Hale

Dr Lyndon Hale has been the Medical Director of Melbourne IVF Pty Ltd since 2008. He is also Director of Reproductive Surgery at the Women's Hospital, and is on the board of the Fertility Society of Australia. Dr Hale is highly regarded for his knowledge and proactive approach and brings extensive experience in assisted reproduction treatments to the care of his patients.

Item 4.2: The Directors (other than Dr Hale) unanimously recommend that security holders vote in favour of this resolution.

Item 4.3: Election of Director – Mr Dennis O'Neill

Mr Dennis O'Neill is the former CEO and Managing Director of Evans Deakin Industries Ltd and United Group Ltd and the former Chairman of Decmil Group Ltd. In March 2009 Mr O'Neill was appointed as Chairman and Advisory Chairman of Queensland Fertility Group Pty Ltd. He is also Advisory Chairman to several unlisted companies and is the Steel Supplier Advocate for the Commonwealth Government.

Mr O'Neill is Chairperson of the Audit and Risk Committee.

Item 4.3: The Directors (other than Mr O'Neill) unanimously recommend that security holders vote in favour of this resolution.

Item 4.4: Election of Director – Mr Peter Turner

Prior to joining Virtus, Mr Peter Turner served as Executive Director and Chief Operating Officer of CSL Limited and was the founding President of CSL Behring LLC. Mr Turner is currently a non-executive director of NPS MedicineWise.

Mr Turner is Chairperson of the Nomination and Remuneration Committee.

Item 4.4: The Directors (other than Mr Turner) unanimously recommend that security holders vote in favour of this resolution.

Item 4.5: Election of Director – Mr Peter Macourt

Mr Peter Macourt is a former director and chief operating officer of News Limited. While at News Limited, he served as a director of Premier Media, Foxtel, Independent Newspapers Limited and a number of subsidiaries and associated companies of the News Corporations Limited.

Mr Macourt was appointed Chairman of SKY Network Television Limited in August 2002, a position he still holds.

Mr Macourt is a member of the Audit and Risk Committee and the Nomination and Remuneration Committee.

Item 4.5: The Directors (other than Mr Macourt) unanimously recommend that security holders vote in favour of this resolution.

27th September 2013

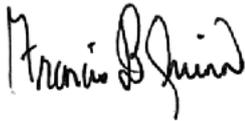
Mr Glenn Powers
Company Secretary
Virtus Health Limited
Level 3, 176 Pacific Highway
Greenwich NSW 2065

Dear Mr Powers

NOTICE OF NOMINATION OF AUDITOR

I, Francis Quinn, a member of Virtus Health Limited (the Company), nominate PricewaterhouseCoopers for appointment as auditor of Virtus Health Limited at the next Annual General Meeting to be held on 6 November 2013 or at any adjournment thereof.

Yours faithfully,



Francis Quinn
In my capacity ATF F&S Quinn Trust



By mail:
Virtus Health Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 1800 554 474



X99999999999

SHAREHOLDER PROXY FORM

I/We being a member(s) of Virtus Health Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.

If no person/body corporate is named, the Chairman of the Meeting, is appointed as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **2:00pm on Wednesday, 6 November 2013, at Level 1, Rooms 5&6, Hilton Sydney, 488 George Street, Sydney NSW 2000** and at any adjournment or postponement of the meeting. I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than **48 hours** before the meeting.

Please read the voting instructions overleaf before marking any boxes with an

STEP 2

VOTING DIRECTIONS

	For	Against	Abstain*		For	Against	Abstain*
Item 2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 4.3 Election of Dennis O'Neill as a director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 4.4 Election of Peter Turner as a director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4.1 Election of Marcus Darville as a director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 4.5 Election of Peter Macourt as a director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4.2 Election of Lyndon Hale as a director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

i * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

VRT PRX301R



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm on Monday, 4 November 2013**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

Virtus Health Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**